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Message Text

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ACTION EB-08

INFO OCT-01 AF-10 EUR-12 NEA-10 ISO-00 FEA-01 ERDA-05
AID-05 CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07
PA-01 PRS-01 /122 W
----------301209Z 080663 /53
P R 301130Z APR 77
FM AMEMBASSY NOUAKCHOTT
TO SECSTATE WASHDC PRIORITY 7397
INFO AMEMBASSY ABIDJAN
AMEMBASSY ALGIERS
AMEMBASSY CAIRO
AMEMBASSY DAKAR
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY RABAT
AMEMBASSY ROME
AMEMBASSY VIENNA

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E.O. 11652: N/A
TAGS: ENRG, EINV, US, SP, IT, MR
SUBJECT: MAURITANIA AWARDS OFF-SHORE OIL CONCESSION TO
INTERNATIONAL JOINT VENTURE

1. BEGIN UNCLASSIFIED: MAURITANIAN PRESIDENT OULD DADDAH
AND SENIOR REPRESENTATIVES OF GETTY OIL, PHILLIPS PETROLEUM,
AGIP, AND HISPANOIL SINGED DEEP WATER OFF-SHORE OIL CONCE-
SSION APRIL 29 IN PRESENCE FOREIGN MINSTRY, ECONOMIC CHIEF,
AND MINISTER STATE SIDI 'ABDALLAHI,
MINISTER MINES RAJEL AND HIS TECHNICAL STAFF, AND U.S.
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AND SPANISH AMBASSADORS. CONCESSION AREA NOT PRECEISELY DEF-
INED PUBLICLY, BUT EXTENDS SOUTH FROM 660 MAURITANIAN
SPANISH SAHARA FRONTIER (21 - 20 N) AND WEST FROM NOUA-
DHIBOU (17 - 05 W) INCORPORATING OCEAN AREA RANGING FROM 200
TO 2000 METERS IN DEPTH. CONCESSION INCLUDES PORTION OF SHALL-
OW WATER OFF-SHORE CONCESSION WHICH COASTAL STATES/PLANET
OIL APPARENTLY RELINQUISHED IN PAST FEW MONTHS (FOLLOWING

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COMPUTER ANALYSIS OF SEISMIC DATA COLLECTED EARLY FALL 1976).
HISPANOIL WILL BE OPERATING COMPANY FOR JOINT VENTURE. END
UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE. SOME TWO YEARS AGO, SEAGAP
EXPLORATION GROUP (ORGANIZED ORIGINALLY AS CGAP -- INITIALS
OF FOUR FOUNDING PARTNERS -- TO SPECIALIZE IN DEEP WATER
EXPLORATION AND EXPLOITATION) SENT SEISMIC SHIP ON WIDE RANG-
ING EXPLORATORY VOYAGE AROUND WEST COAST OF AFRICA. RESULTS
WERE SUFFICIENTLY ENCOURAGING, WHEN COUPLED WITH ON-SHORE
GEOLOGY OF MOROCCO AND SPANISH SAHARA OWNED BY PHILLIPS TO
PERSUADE GROUP TO INITIATE SERIOUS DISCUSSIONS WITH MAURITANIAN
GOVERNMENT (GIRM) YEAR AGO AND TO UNDERTAKE DETAILED NEGO-
TIATIONS FOR CONCESSION AGREEMENT LATE IN 1976. GROUP IS
CURRENTLY DRILLING IN EGYPTIAN AREA OF RED SEA, AND HAS
JUST BROUGHT IN SMALL WELL OFF IVORY COAST. WHILE HISPANOIL
AND AGIP REPRESENTATIVES REPEATEDLY STRESSED TO GIRM OFFICIALS
THAT PROSPECTS FOR FINDING OIL CAN BE CONSIDRED GOOD ONLY WHEN
OIL IS ACTUALLY FOUND IN A DRILLED WELL, PHILLIPS WORLDWIDE
GEOLOGY MANAGER WILKINSON APPEARED CONSIDERABLY MORE OPTIMISTIC
ABOUT DEEP WATER PROSPECTS SOUTH AND WEST OF NOUADHIBOU.
ALTHOUGH STILL VERY GUARDED IN HIS ESTIMATE, WILKINSON
SEEMED TO BELIEVE THAT MAURITANIAN PROSPECTS, AT LEAST ON BASIS
OF VERY PRELIMINARY DATE NOW AVAILABLE, WERE GOOD ENOUGH
TO WARRANT PROCEEDING TO NEXT STAGE DESPITE 15 TO
16 MILLION DOLLAR COST OF DEEP-WATER HOLE (STEMMING IN PART
FOR 110 THOUSAND DOLLARS PER DAY OPERATING COST OF SATELLITE
AND COMPUTER DRIVEN DEEP WATER DRILLING SHIP).

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3. WILKINSON REPORTED PHILLIPS HAS SIGNED AGREEMENT WITH MOROCCO
TO EXPLORE OFF MOROCCAN PORTION OF WESTERN SAHARA. DECLARING HE
AND PHILLIPS LONDON-BASED NEGOTIATIONS DIRECTOR THOMAS IN-
TENDED TO RAISE QUESTION OF PARALLEL AGREEMENT WITH MAURIT-
ANIANS IN SEPARATE MEETING WITH GIRM PRIOR TO
SIGNATURE CEREMONY, WILKINSON ASKED AMBASSADOR WHETHER CURRENT
AND PROSPECTIVE POLITICAL/MILITARY SITUATION COMPLETELY RULED
OUT ANY OFF-SHORE PROSPECTING ALONG EX-SPANISH SAHARA FOR
FORESEEABLE FUTURE. AMBASSADOR POINTED OUT TWO PROBLEMS TO
BE CONSIDRED IN WEIGHING RISKS AGAINST POTENTIAL
PROFITS: IN PAST 3-4 WEEKS POLISARIO HAD REPORTEDLY SHOT UP
SPANISH FISHING BOAT OFF SAHARA; UNCERTAIN JURIDICAL STATUS
OF FORMER SPANISH TERRITORY MADE IT VERY DIFFICULT FOR ANY
FOREIGN GOVERNMENT TO PROVIDE EFFECTIVE, ON-SCENE PROTECTION
TO ITS NATIONALS WORKING IN ANNEXED AREAS. AFTER NOTING MOROCCANS
HAD MADE IT ABUNDANTLY CLEAR THAT OIL COMPANIES INTERESTED
IN WESTERN SAHARA MUST DEAL WITH RABAT ("WHO ELSE ARE YOU
GOING TO DEAL WITH? WE CONTROL SAHARA. MATTER IS CLOSED"),
WILKINSON INQUIRED WHETHER MAURITANIANS OR MOROCCANS WOULD

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EXPECT PHILLIPS TO NEGOTIATE WITH RABAT AS WELL AS NOUAKCHOTT FOR AREAS OFF MAURITANIA'S NEW TIRIS AL-GHARBIA. HE NOTED THAT USG PUBLICATION ON SAHARA (HE THOUGHT ISSUED BY STATE DEPARTMENT) STATED THAT FORMAL AGREEMENT BETWEEN MAURITANIA AND MOROCCO COMMITTED TWO COUNTRIES TO JOINT DEVELOPMENT OF SAHARA RESOURCES. AMBASSADOR SUGGESTED THAT VERY GENERAL DECLARATION OF INTENT SIGNED BY PRESIDENT AND KING IN EARLY 1976 WAS PUBLIC DECLARATION OF SOLIDARITY AND RHETORICAL INDICATION OF INTENT OF THE MOMENT, TO BE HONORED MORE IN BREACH THANPUN OBSERVANCE (AS PHILLIPPS' OWN EXPERIENCE WITH RABAT SEEMED TO CONFIRM). NEITHER PHILLIPS REPRESENTATIVE VOLUNTEERED ANY COMMENT LATER ABOUT TENOR OR OUTCOME OF THEIR SIDE MEETING WITH GIRM. BUT THOMAS INFORMED AMBASSADOR JUST BEFORE DEPARTING THAT PHILLIPS TEAM EXPECTED TO RETURN TO NOUAKCHOTT FOR SEVERAL DAYS OF FOLLOW-ON CONVER-SATIONS IN ABOUT ONE MONTH.

HANDYSIDE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM CONCESSIONS, OFFSHORE OIL FIELDS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NOUAKC00982
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770152-0063
Format: TEL
From: NOUAKCHOTT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977041/aaaaaaty.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 02ddb39b-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2658877
Secure: OPEN
Status: NATIVE
Subject: MAURITANIA AWARDS OFF-SHORE OIL CONCESSION TO INTERNATIONAL JOINT VENTURE
TAGS: ENRG, EINV, US, SP, IT, MR
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/02ddb39b-c288-dd11-92da-001cc4696bcc
Review Markings:
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